NATIONS UNIES
CONSEIL ECONOMIQUE ET SOCIAL

Distr.
GENERAL
E/ECWA/ILO/WG.4/35
23 July 1975
Original: ENGLISH

INTERNATIONAL LABOUR ORGANIZATION
ECONOMIC COMMISSION FOR WESTERN ASIA

REPORT OF THE SEMINAR ON MANPOWER AND EMPLOYMENT PLANNING IN THE ARAB COUNTRIES

BEIRUT, 12-24 MAY 1975

75-391

TABLE OF CONTENTS

Chapter	Subject	Page
I.	Genral Review of the Employment and Manpower Situation in the Arab World	1
II.	Population, Employment and Economic Development	12
III.	Emloyment and Technology	15
IV.	Employment and Trade	19
V.	Employment and Education	26
VI.	Employment and Regional Cooperation	31
VII.	Approaches to Employment and Manpower Planning in the Arab Countries	38

CHAPTER I

General Review of the Employment and Manpower Situation in the Arab World

Discussions under this heading were based on five documents reviewing the employment and manpower situation in Iraq and Syria, Lebanon, the oil-producing countries (Kuwait, Saudi Arabia and Libya), Algeria and Egypt. A document on employment situation in the least developed countries in the region (Oman and the two Yemens), was submitted but not discussed.

A. Manpower and Employment Planning in Iraq and Syria

The background paper on "Manpower and Employment Planning in Iraq and Syria" pointed to the great improvements made in recent years in the collection of manpower and employment statistics both quantitatively and qualitatively in the two countries reviewed. However, it stressed the need for further efforts in that direction, such as better coverage of manpower and employment statistics in the private sector; systematic and periodic surveys, population censuses, ..etc..

The labour force in both countries was growing at an unprecedented rate due, among other things, to the increase in the size of the population reaching working-age and the increase in female participation rates. Yet shortages of critical skills, such as high-level manpower, craftsmen, skilled operators, foremen, technicians, instructors and teachers were still major bottlenecks.

The public sector had become the major employer in these countries, accounting for slightly less than a third of total employment. Better planning of manpower utilization within the public sector as well as between the pulic sector as well as between the public and private sectors was required.

The background document proposed specific recommendations for strengthening the organizations responsible for employment and manpower planning and stressed the importance of systematically relating such efforts to the requirements and targets of national development plans in the two countries. In that context, active popular participation in formulating manpower and employment targets was considered a must.

Finally, the document indicated that so far, neither Iraq nor Syria have had a comprehensive employment survey, and consequently both countries were unable to formulate a comprehensive employment strategy; which explained some of the inconsistencies and conflicts underlying existing policies.

During the discussion, however, it was indicated that preparations for comprehensive manpower and employment planning in both Iraq and Syria were already underway and that the basic studies are being completed; yet, this long-term approach to manpower problems could not meet the immediate needs of the two countries. For example, the paucity of construction workers in both Iraq and Syria, which is causing delays in the implementation of vital development projects, has led the competent authorities to adopt short-term measures of a restrictive nature in order to minimize, at least partially, the acuteness of such shortages. These measures include setting obstacles to the movement of the labour force from the public to the private sector; and discouraging the emigration of critical skills.

It was stressed that planning employment and manpower is not limited to the projection of supply and demand; and that it should include the determination of the level of employment to be reached and of its impact on productivity, income distribution, and on the optimal utilization of scarce human resources. Planning employment and manpower requirements must be viewed within the context of an overall socio-economic development strategy. In the formulation of such plans a dialogue between technocrats and decision-makers (politicians) has to take place.

B. <u>The Functioning of the Labour Market in Lebanon</u>

The second paper entitled "The Functioning of the Labour Market in Lebanon" dealt with the workings of the labour market and the necessity of devising measures to improve its functioning. It was indicated in this respect that a low percentage of the population is participating in the labour force. It was also shown that although unemployment has reached 8%, it varied with age groups, occupations, education levels, geographic region, etc.. The status of different occupations varied considerably and employment stability and level of earnings were important factors in this regard. Labour working in the agricultural sector is paid lower wages than in the construction and manufacturing industries. At the top

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of the earnings hierarchy come those working for the tertiary sector and in particular banks. Generally, imbalances in the employment situation point to the advisability for the Lebanese authorities to adopt a well-defined employment policy.

Formulating such a policy however, would not be possible if the information system on the labour market, which is seriously deficient now, is not improved. It was suggested that the establishment of employment offices would improve the exchange of information between employees and employers. In Lebanon, the Ministry of Social Affairs and Labour with the help of ILO has created four employment offices. These offices will provide statistical information on labour and employment, the occupational distribution of workers and other issues pertaining to the labour market. The Lebanese authorities are thinking of expanding the information coverage of these offices to include information on employment opportunities in other countries of the region, and in the rest of the world. It was suggested in this respect that it would be more efficient to classify people not only by their degrees but also by the number of years spent in school, vocational centers or universities, in view of the existing differences in the educational systems and degrees awarded in the region.

It was indicated that basically the labour market in Lebanon is free and that people are therefore free to choose their occupations. This causes difficulties in planning the manpower needed for the future development of the country. This contrasts with the situation in certain centrally planned economies where individuals preferences have sometimes to be subordinated to the country's needs in the interest of achieving economic and social objectives. In Syria, for example, it was stated that in some professions (medicine, engineering) graduates are required to do their military service and to work for some time for the Government before they obtain their diplomas and the freedom to choose their employment within or outside the country. Yet, it was pointed that there is not necessarily an incompatibility between planning and full freedom of choice of employment. For example, in Tunisia, which has a planned economy and where 120 employment bureaus are operating workers are free to turn down or accept offers of employment. It was also argued that the existence of a free labour market does not necessarily mean that all people have 2qual opportunities.

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It was agreed that the establishment of employment bureaus alone does not solve all problems of employment. Employment bureaus can contribute to a better understanding of the labour market but are by no means sufficient.

It was also emphasized that wages are not the only factors determining the supply and demand of labour. Prestige, fringe benefits and other factors play an important role in determining the distribution of labour between different sectors and occupations.

It was also suggested that employment problems in Lebanon would be partly solved by improvements in the training system. The whole region would also benefit since Lebanon exports labour to other Arab countries.

With regard to the market mechanism, it was indicated that while wages do adjust to labour shortage and surplus conditions, this works slowly and ultimately loses its impact in an inflationary environment. It was agreed that labour market policies alone cannot cope with structural imbalances in employment and that overall development policies are needed to correct them.

C. Employment and Manpower Problems and Policies in Kuwait, Saudi Arabia and Libya

A background paper titled "Employment and Manpower Problems and Policies in Kuwait, Saudi Arabia and Libya", was presented to the Seminar. The document reviewed problems related to: (a) socio-economic structure; (b) work attitudes; (c) education and training; and, (d) administrative structure in the countries in question.

In all three countries a majority of the labour force is composed of expatriates. This situation brings with it socio-economic problems that are peculiar to these countries. In terms of attitudes towards work, the document argued that as a result of assured income (from oil) the national section of the labour force tends to select the most prestigious jobs while rejecting the unpleasant ones, and this tends to increase the countries' dependence on expatriate labour.

Although the three countries reviewed have made commendable progress in organizing and expanding educational and training facilities, the traditional

socio-economic structure and the attitudes and aspirations of individuals are still major impediments towards an optimal utilization of such facilities. Individual preferences are still for the fine arts and only small numbers are being trained in engineering, economics and physical sciences.

The concept of planning socio-economic development is new in all three countries; which explains the absence of comprehensive employment and manpower planning. There is a need to shift the emphasis from the assessment of labour supply and demand to an analysis of specific problems in the field of employment and manpower.

Finally the document concurred with the preceeding document on Iraq and Syria, in stressing the need to view employment and manpower planning within the context of the overall socio-economic development strategy of each country; the prerequisite for such an approach is the availability of adequate and comprehensive statistical information on the manpower and employment situation.

It was stressed in the meeting that due to the recent involvement of the Kuwaiti and Saudi Arabian authorities in development planning, the past practice of limiting employment planning to the assessment of supply and demand was inevitable. However, the recent tendency in these two countries is to expand this approach to planning the formation of human capital.

The need to study the economics of existing training facilities in the three countries reviewed was underlined. The type of training facilities offered should be reviewed in the light of an assessment of the types of jobs for which such training facilities are needed. Some doubts were raised, in this context, as to the desirability of training nationals to replace expatriate workers in all types of work, and especially in manual work and jobs that require limited skills.

It was suggested that the feasibility of joint training ventures at the regional level should be studied as a substitute to training at the national level, especially when such training facilities are geared to the training of highly skilled categories of manpower.

Given the fact that the three countries reviewed are, and will remain in

the foreseeable future, not importers of labour, it was suggested that investments in education and training facilities should, as far as possible, also be made in sending countries in order to increase the supply of qualified manpower.

Training facilities in immigration countries should, it was suggested, be extended to benefit expatriate labour, whenever this is feasible and beneficial to the host country.

The meeting was warned against concentrating only on the export/import aspect of the labour problem and attention was called to the necessity of improving the labour-absorptive capacity of countries considered to be traditional exporters of labour force. A regional approach to employment and manpower planning was considered a necessity in the absence of which planning at the national level will remain deficient in many respects.

D. Employment and Development in the Algerian Economy

The paper on "Employment and Development in the Algerian Economy", focused on the need to orient the educational policy in the light of the manpower and employment situation, and to assess the impact of investment, industrialization and technology on employment in both rural and urban areas. After Independence, Algeria had inherited a weak economy. Its objective was, therefore, to develop an independent integrated and healthy economy. However, it faced an acute shortage of qualified manpower. To solve this problem, Algeria reformed its educational system encouraging technical and vocational training. Some 35% of secondary students were oriented to technical education. Higher education was also reformed and freed from its academic character, and field and applied work was introduced. A general educational organ was established aiming at improving the human potentialities and regulating the stages of education.

The investment policy in the current Plan was also tuned to meet employment objectives, through establishing a large number of medium and small industries (in addition to some huge projects) that use appropriate technology, i.e., neither obsolete nor of the most up-to-date and labour-saving type. This will create more employment opportunities whereas the huge projects are usually complex and highly capital-intensive.

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With a rapid population increase, it is expected that the number of those entering the labour market will increase rapidly by 1980. But employment plans estimate that between 1980-1985 Algeria will be able to greatly reduce unemployment and limit emigration. All the youth entering the urban labour market will find jobs and urban unemployment will be partly absorbed. Moreover, in the rural areas the agricultural projects carried by the State (irrigation, increase in farms and livestock) plus the increase in the number of farmers joining co-operatives will increase employment opportunities and the number of working days per year. Specialization and increasing employment opportunities in rural and urban areas are expected to limit rural-urban migration. In the next phase when the economy is on the threshold of an autonomous development and rapid expansion, job creation is expected to absorb all the manpower available.

Discussion of the paper centered on the incentives provided to encourage technical education, in the form of scholarships provided for students at technical institutions, and public information campaigns on radio, TV, in the newspapers and through lectures. As a result, the prestige of academic diplomas was partly eliminated. In addition, the government is trying at present to draw up a policy to provide equal remuneration for equivalent qualifications. The results obtained from training were very encouraging in most cases.

Concerning the return of emigrants to Algeria (specially from France), the limited employment absorptive capacity of the country led the competent authorities for the present to encourage only the return of those endowed with needed skills. However, the eventual return of most of those desirous to come back to Algeria is desired in the long-run.

E. Employment Problems and Policies in Egypt

This paper dealt mainly with the problem of unemployment and under-employment in the Egyptian economy and the economic policy applied in this context, with special emphasis on employment problems in the agricultural sector.

The paper discussed some of the main characteristics of the labour force in Egypt. The share of the labour force to total population is undergoing a

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continuous decline due to changing age structure, low female participation rate and rural-urban migration. In general, the labour force has a low level of education and technical skills. Though non-wage employment is declining it is still prevailing.

The industrial sector has a low absorptive capacity. Its share in total employment has been declining as a result of the pattern of industrialization and of measures of economic policy which lead to the use of more capital intensive technology. On the other hand, there was an increase in the share of services which are dominated by low productivity occupations.

As revealed in the paper, open unemployment is heavily concentrated in urban areas, especially Cairo and Alexandria and there is considerable rural-urban migration. A study of factors accounting for such migration suggests that the only significant explanatory variable is the degree of unemployment in the area of emigration.

Underemployment in agriculture was defined in the document as the difference between the amount of work actually performed and the amount of work a person is able and willing to supply. Hence, it differs from the concept of disguised unemployment. The author analysed the labour supply distinguishing between adult men on one hand and women and children on the other. He found that underemployment is prevalent among men, where it is both seasonal and permanent, contrasting with an acute shortage of women and children particularly at certain times of the year. The employment situation is affected by the growth of the agricultural labour force and by the preponderance of small farms in the farm structure.

High seasonal peaks of agricultural activity require the maintenance on the farm of a r eserve of family labour to meet such seasonal demands. Also, surplus labour in small farms can coincide with shortages on medium and large farms, because the surplus is not necessarily available for work outside the family farm. This is particularly true of women. Moreover, substitution between men and women is difficult because the distribution of agricultural tasks is based on sex.

Calculating the future demand and supply of labour, it was found that if

the rate of growth of National Income can be maintained at 6% and that of industrial income at 8.5%, (rates already achieved in the first five year plan and therefore, seemingly feasible) the demand for labour will fall short of supply until 1985 when it will catch up with supply but will still not be able to absorb either under employment in agriculture or the stock of unemployed from the previous period. Assuming a 7.2% rate of growth of National Income and a 14% rate of growth of industrial income between 1975 and 1980, and a 10% rate of growth of Industrial Income from 1980 to 1985, the supply is insufficient to meet the demand which must rely on withdrawing labour from agriculture. To achieve this result the ratio of investment to National Income should jump to 25%, a target difficult to implement.

It was mentioned during the discussion that the 1960-1975 development strategy in Egypt had aimed mainly at maximising economic growth (at an annual rate of about 7%), and that employment growth and the balance of payments position had been subordinated to that target. However, as from 1976, the priorities would be reversed with full employment as a major objective, to be accompanied by a reasonable GNP growth rate (of say 5 to 6%).

It was also argued that the priority given by the Egyptian government to tackling open urban unemployment was correct, including the policy of absorbing university graduates in the public sector, although undue employment resulting from such a policy would need to be dealt with through ensuring a better allocation and utilization of those graduates.

The study of underemployment in the services sector is a difficult task given the absence of criteria by which to measure labour force requirements for services. In this context social norms, habits and motivations are major influences determining the number of persons assigned to specific services and the types of services in demand.

It was suggested that the employment problem cannot be solved without co-operation and an overall development strategy covering both Arab countries rich with financial resources and those rich with labour resources.

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Least Developed Countries

The paper on the least developed countries in the ECWA region namely the Yemen Arab Republic, the Democratic Republic of Yemen and the Sultanate of Oman shows that they face many common obstacles and bottlenecks in their development process. They suffer from a deficiency in statistical data essential for planning and development policies; an overwhelming part of their population are illiterate or with only preliminary education which is reflected in a severe shortage of skilled and qualified personnel; and they lack a modern and efficient administrative structure.

Almost 50% of the population in the three countries is beyond 15 years of age. Accordingly the dependency ratio is very high. The manpower constitutes 51% of the population of Democratic Republic of Yemen, 59% of the population of the Yemen Arab Republic and around 62% of the population of Oman. The labour force, however, constitutes only about 25% and 29% of the total population of the two Yemens respectively, while it is about 35% of the total population in Oman since it imports foreign labour. This reveals the relatively high percentage of those in the working age but outside the labour force. On the other hand, the majority of the labour force works in the agriculture and fishing sector where there is a high rate of disguised unemployment. The Yemen Arab Republic suffered in recent years from large emigration of labour toward the rich Arab countries, particularly Saudi Arabia.

To overcome these obstacles the three countries are planning to increase the level of education rapidly and eliminate illiteracy. By improving the skills of their human resources they can expand the absorptive capacity of their economy. For this purpose, a large number of schools and vocational training centers will be established. They are also planning to increase the real national income and real per capita income, create more employment opportunities, and modernize the administrative structure.

External aid extended to these countries to develop their educational system was mainly used for the construction of new schools and did not include the provision of trainers or teachers, thus resulting in a wastage of resources.

Finally the paper suggested that the three countries should cooperate in establishing training and rehabilitation centers to diminish costs and expand training facilities, send more students to study abroad, undertake surveys to provide the necessary statistical information, give financial incentives to attract the qualified people and to prevent the emigration of skills and improve housing facilities and other services.

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CHAPTER II

Population, Employment and Economic Development

A background paper entitled "Population, Employment and Development in Arab Countries" was presented to the Seminar. The paper reviewed the general demographic situation in the Region at present and in the future and tried to assess the implications of population growth on the economies of the Arab countries (use of natural resources, income, savings, investment, employment etc.). The paper stressed that one characteristic of under-development in Arab countries is the low rate of economic activity and this is due to, inter alia, low female activity and a young age structure of the population. Although no universal development policy can be applied to all Arab countries, accelerated industrialization, increasing activity rates particularly for women, facilitating inter-regional migration, reducing mortality rates, regulating fertility in accordance with national purposes and values, and stressing education and training constitute policy issues that should be taken into consideration.

It was indicated that labour force participation rates were low in most Arab countries, although they may not be as low as they appear if statistical reporting and data collection were better. In this connection one is confronted with the problem of assessing participation of certain groups of population in economic life. For example, women and children in agriculture are not fully taken into account. The same stands for the handicraft sector and for small establishments.

It was indicated by some participants that population growth may be desirable for the purposes of development, because it can supply the manpower needed and contribute to a higher economic activity. However, while this may be the case in countries with rich natural resources and low population density, it cannot certainly work in countries with high population density.

In this connection it was pointed out that family planning programmes may have different purposes in different countries. On the one hand, they can be used for encouraging population growth (Libya, Saudi Arabia, Qatar and the

United Arab Emirates), while on the other hand it can be used to regulate population growth (Egypt and Tunisia). In any case family planning does not necessarily mean birth control, because parents have the right to decide on the size of their families.

Looking at the age structure of the Arab population, participation rates of children and youth will be decreased because of advance in education, while in the working age group (20-64) Arab males are as active as those in the rest of the world. The only group that Arab countries can manouver with if they wish to increase participation in development is women, since their activity rates are low. Cultural values as well as attitudes of males towards working women, ignorance and illiteracy among them, lack of employment opportunities, and lack of social services for working women have ingibited them from entering into the labour market. In fact, women's employment affects to some extent population growth. Several studies have shown that there is an increase relationship between female participation rates and fertility. However, this is true only when women work outside the home.

Various problems relating to population mobility were mentioned. First, there is the rural-urban migration which has led to overpopulation in Arab cities and to creation of social and economic problems beyond the absorptive capacity of these cities and in some cases has also affected the rural areas adversely. Second, there is the intra-regional (inter country) migration which is contributing to re-dressing the balance of population distribution in the region. This kind of migration was deemed desirable and should be promoted. Third, there is the external migration to countries outside the region. Several countries were not in favour of this kind of migration, in particular when it takes the form of a brain-drain phenomenon, which has been manifested in a loss in terms of capital investment as well as skilled manpower both of which are needed for development. The wish was expressed that Arab countries should co-operate to counter-act the effects of this type of migration. Finally, another undesirable form of migration is the forced migration resulting from military aggression and illegal occupation of Arab terrritories. This forced migration causes unemployment and a great deal of human suffering. It was proposed that the Seminar condems the aggression which leads to this type of migration.

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It was also emphasized that the process of development is not only linked to manpower availability and population growth, but also to many economic variables. To effect development there is a need for investment and consequently for the securing of the capital needed. It is through development that employment opportunities are created and participation rates are improved. Thus under-employment and unemployment can be absorbed.

The Seminar emphasized the role of education and training in influencing the economic and social development of the Arab countries. This can be manifested in several ways.

It was indicated, for example, that education and training improve the quality of the population in the short-run (skilled manpower) and influence population growth in the long-run. It can increase the productivity of the labour force, including that of women in rural areas. The feeling was expressed that educational systems in the Arab countries need revision so that they can meet the requirements of development. Education should be linked to manpower planning. In this respect it was further emphasized that illiteracy eradication in Arab countries is one of the major factors contributing to development and to the improvement of the quality of life.

Development planning has gained roots in all Arab countries. It was indicating that employment should be one of the aims of development plans. In this connection it was stressed that there is a strong inter-relationship between the various factors influencing development, including population, manpower, education and employment. This interrelationship should be deeply studied and taken into account in short-term and long-term planning.

The suggestion was made to recommend the creation of a permanent inter-agency team of qualified experts in the fields of economics, demography, manpower and education to study and recommend ways and means of dealing with the questions of population, employment and economic development, and that ECWA in collaboration with ILO should initiate this team .

CHAPTER III

Employment and Technology

A background paper entitled "Employment, Choice of Technology, Sectoral Priorities" was presented. The paper recalls that the employment problem in Arab countries manifest itself not merely as open unemployment but also in many forms of under-employment. It is a part of an overall development problem which itself is an immediate result of several economic, social and political factors. Imbalances in the economic structure, in particular, constitute one of the principal factors affecting the development of employment.

Actual policies in most Arab countries have favoured industialization that has received long-term priority as reflected in development plans, and has been viewed as a means ultimately to develop both incomes and employment. However, industrial development in practice does not seem to have led to very high employment gains or to noticeable changes in the employment structure. In oil economies, the primary sector is the leading sector in terms of income growth, but the tertiary sector shows the greatest employment expansion. In other countries the share of the tertiary sector is also increasing, both in economies having reached the secondary stage of development and in those which are still at a very early stage. This development of tertiary employment is taking place despite the fact that the tertiary sector does not receive high priority in development plans.

The paper also deals with the question of the choice of technology which is dictated, to a certain extent, by the sectoral priorities of each country and by other technical, economic, and socio-political factors.
Besides sectoral planning and choice of techniques, manipulation of final demand should be considered as a means of creating more employment. Although choices of technology and reshuffling of sectoral priorities may help, the main thrust on the employment front may only be effected within an integrated development approach which balances various sets of objectives. The paper recalls, moreover, that technology can be defined as a "cultural worl which involves knowledge, habits of mind, modes of organization and social behavious, education and research".

It was indicated that there was a strong relationship between development, employment and the application of technology. However, imbalances in the economic structure complicate the issue. In this context, reconciling development objectives with employment objectives is a major concern to most countries. To solve the unemployment problem some governments are resorting to the absorption of manpower into public administration, a phenomenon that may creat more problems in the long-run. What is needed, it was pointed out, is a definition of priorities and a transformation of the structure of the economy.

It was pointed out that economic, political, social and cultural factors are involved with respect to choice of technology. In some countries, the abundance of primary resources coupled with a shortage of manpower makes the choice of sophisticated labour-saving technology both feasible and necessary. In any case, flexibility in the choice of technology is often limited. Thus, investment in heavy industry, a first priority in many countries, requires the use of advanced technology. In other sectors the situation is different and there is more scope for adopting appropriate labour-intensive techniques. One constraint, however, is that available technologies developed in industrialized countries are usually of a labour-saving nature, and consultants and engineers trained abroad tend to recommend them in preference to labour-saving ones where these exist. Moreover, many technical factors need to be considered in choosing between labour-intensive and capital intensive techniques, such as respective requirements for inputs in relation to output, for investment in fixed capital and for skilled manpower, and the types and quality of goods (e.g. nutritional value of food products) actually required for different markets and the techniques best suited to produce them.

Other factors include political goals and systems, which play an important role in influencing the choice of sectoral priorities and technology, and the prestige often attached to advanced technology. On the

other hand, the absence of a technological tradition in Arab countries may deter its adoption. Problems of assimilation and co-ordination of technology are faced by many countries, which must also consider the effects of its introduction on existing industries. Sometimes, the adoption of technology leads to the creation of "enclaves" or islands of modernity in an ocean of backwardness. In order to avoid this, attention must be given to developing linkages and complementarities with the rest of the economy and furthering an industrial milieu in which the effects of modern technology may become diffused.

Generalizations about the choice of technology should be avoided. Decisions need to be taken on a project-by-project basis, and individual projects, themselves, can be subdivided into processes and operations some of which may lend themselves to labour-intensive techniques and others not. Moreover, attention should not centre only on importing new technology, but also on improving existing local technology . Generally speaking, it was emphasized that Arab countries need to develop a technology that meets their needs and fits into their situation. Imported technology, including that provided under aid programmes, leads the Arab economies to dependence on foreign ones and limits their freedom of movement. In addition, it is highly expensive and poses problems of keeping up with the continuous line of new inventions including the problems of maintenance and re-training. However, in the short-run, technology will continue to be imported but this should be done within a well planned developmental framework. In particular, countries should expand their training facilities at all levels in order to cope with the introduction of technology and avoid any inbalances which might result.

It was also indicated that history reveals that leading industries are not necessarily heavy industries. The history of technological evolution elsewhere also shows that time is an important factor, and that technology must become an element of culture. The provision of an environment likely to lead to the creation of a technically-minded generation requires an educational system, culture and social attitudes conducive to this objective.

To solve problems of choice of technology as swell as many other problems associated with the application of technology for development, it was maintained that regional co-operation is of utmost importance. It should strengthen the bargaining power of Arab countries and facilitate the development of appropriate technologies. It should further the creation of a new International Economic Order in co-operation with other developing countries. Research, planning and training on a regional basis were also stressed, as well as the need for adopting a common terminology and standards in regard to technology. In this context, it was suggested to put forth a resolution requesting Arab states through the Arab League to create a regional centre endowed with adequate resources, to undertake research for identifying, adapting and/or developing appropriate technology, with due regard to employment and development needs, and to disseminate informations about such questions in the Arabic language. Such a body should be established in consultation with the United Nations specialized agencies and in the light of the resolution 1636 (LI) of the Economic and Social Council as well as the resolution adopted by the Second General Conference of the United Nations Industrial Development Organization (ID/CONF.3/RES.2) and taking into consideration the recommendations of the United Nations Advisory Committee on the Application of Science and Technology to Development of ACAST (ID/CONF.3/11).

It was also indicated that an important barrier to development in the Arab countries is the Israeli aggression which has prohibited a whole nation from contributing to technological and social progress in the Region and forced Arab states to allocate huge amounts of money for defense which could have been used for the creation of employment and appropriate technology.

CHAPTER IV

Employment and Trade

A document entitled "Trade Policy, Relative Prices and Employment" was submitted to the Seminar. The study is concerned with the impact of tariffs, quantitative restrictions, export taxes and subsidies, and of other commercial policy measures on employment objectives. It assessed the implications for employment of protection-induced distortions in the price relationships among particular categories of goods and among sectors, and concentrated on the characteristic bias of tariff structures of many developing countries against agriculture, the bias against exports, and the apparent tendency of systematic relative under-pricing of imported capital goods and industrial inputs to favour sophisticated labour-saving technologies.

These have been major themes in the literature on development economics of the past five to ten years. Most of the empirical work has been based on the experience in Latin America and South Asia. The lessons learned and the implicit policy prescriptions are perhaps completely irrelevant to those of the oil-producing Arab states whose development is at present constrained by neither a surplus of labour nor a shortage of finance. The degree to which they may be applicable in the other Arab countries is a matter for case-by-case study in the context of their particular problems.

All protective measures alter the relationships between domestic prices and international prices. The varying levels of these discrepancies for different kinds of goods can be expressed as ad valoren rates of so-called nominal protection. In analyzing a trade-policy system it is useful to look at the profile or array of the average rates for the various categories of goods.

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However, apparent legal tariffs, taken by themselves, tend to give a very misleading picture of the real pattern of a country's protective structure; since these tariffs are frequently not collected at all because of fiscal exemtions given to encourage investments and for other reasons. Or they may be irrelevant or redundant, e.g. where the product is a characteristic export of the country and unlikely to be imported.

The "true" profile of protection may be different from the legal tariffs schedule. The apparent tariffs alone do not measure protection. In many development countries there are high apparent tariffs on primary agricultural products, but these may be largely meaningless. In reality, agriculture enjoys little protection in developing countries and frequently the protection is negative. That is, the sector is penalized by holding the domestic prices received by farmers below the international prices. Since much higher real protection is given to industrial goods, including perhaps the inputs needed by farmers, this results in what is often called a bias of the protective system against agriculture. Yet, about 60 per cent of the active labour force of the Arab region as a whole is engaged in agriculture. Therefore, a strong tendency for the domestic terms of trade to be tilted against agriculture should perhaps be a matter of concern. This could be especially serious if this reinforces similar adverse relationship in the international terms of trade.

Turning to industrial goods, it had been brought out on several occasions at this meeting that the secondary sector tends to be a disappointing source of employment, however, important industrialization may be for other reasons. Therefore, one should be on his guard against any possible perverse effects of well-intentioned policies that might reduce further the contribution of manufacturing industries to the absorption of excess labour. The highest levels of nominal and effective protection normally apply to finished durable and non-durable consumer goods. Assuming that the protection is non-redundant and in the absence of strict wage and price controls, on of the

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most important effects is to provide a monopoly shelter over payment of abnormally high money wage rates. This appears to contribute to "wage dualism", discouraging use of labour in the modern sector. The use of ultra-modern technology in the import-substitution consumer-goods sector is of relatively little interest to industrialization strategy, but it can have vicious effects on the competing artisanal activities (and small-scale industry) that have traditionally absorbed much labour. Super-high protection on consumer goods frequently benefits mainly the multinational companies that own the trade-marks and licenses in finished consumer-goods industries. For this and other reasons, there may be effects on the distribution of income that could be indirectly adverse to employment objectives.

Considerable attention was devoted to the bias in favour of labour-saving technologies that is created by the general practice of assigning low duties to equipment imports, a point already emphasized during discussions of the previous topic. Even these are often not collected because of the investment incentive laws that are common in Arab as well as in Latin American countries. Together with artificially low interest rates and other discriminatory advantages given to encourage foreign investors, this results in subsidization of the use of the capital factor of production, while use of the labour factor is simultaneously being penalized by wage dualism.

The relative under-protection of capital goods also discourages domestic production of equipment. It has shown that import-substitution in this sector may be particularly useful from an employment standpoint . Similar observations can be made with respect to the relative under-protection of inputs for industry.

An ironic side effect of extreme import-substitution policies is that they tend to increase external dependence. The protection system may make it more profitable to process foreign raw materials and intermediate inputs than to export domestic raw materials in processed form. Admittedly, this choice may raise complicated problems that are not susceptible of simple answers.

Reform of protection systems cannot be a panacea for the problems of absorbing excess unskilled lobour. Moreover, rekless dismantlement of all protection was not advocated. Yet it is always useful for all governments to examine all aspects of their policy for possible undesired side-effects with a view to correcting these if due consideration indicates that this is feasible without sacrifice of the really important objectives.

There are both structural and market reasons for the bias of some modern technologies against employment which sheds some skepticism as to generalizations about choice of technology. To the extent that the bias comes from the market side, however, it is worthwhile trying to reduce this bias by correcting systematic relative price distortions, to the extent that these are within the province of governmental jurisdiction as is the case with commercial policies.

During the course of discussion following the presentation it was pointed out that the differentiation in the rate of tariffs for different imported goods results in a set of differentiated prices within a country, which would lead to an industrial structure and a division of labour different from what would have prevailed in the absence of such a set of tariff rates. Also, the manifold repercussions of bilateral agreements on the domestic system of prices (product, factor and foreign exchange prices) make evaluation as to gains from bilateral trade a difficult task.

In order to study the real rate of protection, international prices are used as benchmarks. It was pointed out, however, by a number of participants that these do not emanate from an equitable, competitive, and efficient world market, and that the impact of international prices on the choice of the type of industrial development a country may adopt depends on the weight given to such prices by the country in question. On the one hand a country may adopt a development path oriented towards, and mainly based on, international trade, thus allowing international prices to play a major role in the process of decision making; while on the other hand, this country could adopt an internally-oriented development path based on its proper needs, where international trade has a residual role, thaus attaching low weight to international prices in the process of decision making.

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Import-substitution policy is a special kind of protective system, whose most important disadvantages is that very frequently it destroys the only standard available for measuring the gains from international trade, in the sense that it becomes impossible to assess the real cost to be attached to decisions pertaining to specialization. When import-substitution policy ignores the pattern of international specialization in terms of factor endowments it becomes misleading and soon enough runs out of dynamism.

Import-substitution policy does not eliminate dependence on imports but simply changes the compostion of such a dependence, with an aggravation of such a dependence when the import-substituting industries are in turn dependent on imported inputs.

The move away from import-substitution policies, if decided, in favour of more liberal policies is to be done gradually. A combination of an import substitution system with export promotion measures may increase the complexity of the situation and lead to unfavourable side-effects.

Although it was recognized in the meeting that import-substitution policies may have little advantages for isolated, economically small, countries, it was stressed by a number of participants that such policies, when seen in the context of the whole Arab world, could have significant advantages, and could considered as one of the major contributors to the development of the region as a whole. In this context, the product-mix and technique-mix on the basis of which the countries of the region industrialize should be selected in such a way as to lead to a more equitable income distribution.

With respect to oil producing countries, where most of the imports are financed by oil revenues, revenues which are expected to wither away, the attempts to build up a productive diversified economy should be geared in such a way as to avoid balance of payment problems and their repercussion on these economies in the post-oil era.

Thus intra-Arab trade should be expanded in order to enhanve the viability of investment projects in the region by widening their markets. Regional economic cooperation and integration (or at least some sort of a customs union) would enhance the ability of the region as a whole to absorb its labour force while accelerating the process of development.

The paucity of statistical information on the profile of tariffs and other protective measures was once more deplored in the meeting. Improvement in the collection and analysis of such information was recommended. Attempts to develop averages and to measure price changes attributed to protective policies should be encouraged and generalized.

Planning the foreign sector has in the past consisted mainly of calculating the residual needs and surpluses of a country; it was stressed in the meeting that the planning of the foreign sector should take place in the light of its impact on employment, and the choice of technology in the respective countries, and in the region as a whole. Some balance should be adopted between the major objectives with special emphasis as to the trade-off between employment objectives and foreign trade targets.

The remaining salient points raised and discussed at the meeting are:

a) The trade relations between Israel and the occupied territories and their impact on employment were briefly reviewed in the meeting. The trade balance between Israel and the occupied territories was found to effect a continuous increasing surplus in favour of the former. Occupied territories are forced to import 90% of their needs from Israel, which permits the latter to export 25% of its total exports to the occupied territories. The occupied territories are also suffering from a contrived deterioration of the term of trade with Israel.

The Palestinian labour force working in Israel is paid half the wage received by non-Palestinian workers; and in addition the Palestinian worker's pay is subject to income taxes and other cuts, without benefiting from any social or health insurance schemes.

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b) With respect to Multilateral Trade Negotiations (MTN) some skepticism was voiced as to the product-by-product bargaining approach. Some of the tariffs in some countries of the region may already be relatively too low. Their decrease, if it occurs, should be in the context of national reform rather than through item by item bargaining.

c) The Generalized System of Preferences (GSP) tends to exclude textiles and other labour intensive products from the benefits offered while greater advantages are given to products which are not produced in significant quantities by developing countries.

d) On the agricultural sector in the Arab World and the bias against it resulting from protection of industy, the opinion was expressed that the non-protection of agriculture in the region reflects the particular characteristics of this sector . Most agricultural products have no difficulty in finding outlets within the region (vegetables etc.) and/or in the rest of the world (cotton).

e) It was also mentioned that the discussion on the effect of tariffs and other trade policies in distorting prices, should be expanded to include similar effects resulting from aid and laons. Food aid seems to have been responsible for low productivity in South Asia. Such aid may well have had adverse side effects on incentives in the agricultural sector of some recipient countries.

CHAPTER V

EMPLOYMENT AND EDUCATION

A paper entitled "Emploi et Education dans les Pays Arabes: Les Données et leur Interprétation" served as a background for the introduction of the subject of education and employment. The paper is divided into two main sections. The first section surveys the recent international evolution of ideas and problems concerning employment and educational policies. The Second Section makes a critical analysis of some relevant statistical data for some Arab countries and attempts to indicate ways of better use of these statistical data.

Both the Report of the International Commission on Education (UNESCO) and the World Employment Programme (ILO), have stressed the shortcomings of policies, concepts and methods of human resources development and the necessity of an overall revision. In particular, the relationship between employment and education cannot be satisfactorily studied through the method of forecasting qualified manpower needs using technical coefficients nor through the method of calculating the rate of return to education. In fact, these planning methods have not yielded satisfactory results. Serious imbalances have been developing in a great number of countries: the quantitative development of educational systems has increased the cost of education without being always accompanied with qualitative improvement, and shortages of qualified manpower still prevail, although some countries enjoy a surplus of graduates who have not been absorbed totally by the labour market. The results of the measures taken in the field of training and employment were not sufficient to remedy these problems; sometimes they had negative consequences in other fields. Nor did they yield the expected results in regard to the objectives of democratization and equality of opportunities.

Several questions may be posed. Should one limit the development of education to the capacity of the labour markets to absorb the output of different levels and different branches of the educational system? Is this technically possible? Is it politically acceptable? Should one respect people's desires for various kinds of training and thus, accept a measure of autonomy of the educational system? Would this not imply the existence of looser ties, between diplomas and

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occupations? Are the objectives of the equality of opportunities entirely compatible with an efficient allocation of scarce resources? Do the priorities of plans correspond to the real distribution of resources (growth rate of different branches of education, structure of remuneration of qualifications and diplomas in the labour market)?

The second section of the paper relating to statistics aims at presenting some concrete examples of information which seem indispensable such as a) evaluation of the situation of each country and of the existing imbalances; b) defining the objectives of development taking into consideration education, employment and the economy; c) operationally defining the policy measures needed to achieve these objectives; and d) evaluation of the results obtained.

Finally, the introductory statement presents many practical methods for gathering a minimum of statistical data related to: levels of education of workers, occupations and wages. It also suggested the establishment of a regional data bank which would permit the exchange of information and experiences among Arab countries.

In the course of the discussion, many disparities in the present educational system of Arab countries were pointed out. There has been a quantitative expansion in education at the expense of its quality. There are great differences between male and female enrollments. In many countries, a big gap between general and technical education exists and also between primary education and secondary and higher education. There are imbalances between urban and rural education both quantitatively and qualitatively. In fact, this is reflected in an unequal distribution of educational facilities at the regional level within each country and among Arab countries as well. Often there is also a gap between the implementation of educational plans and the targets specified in those plans.

It was also pointed out that present systems of education in Arab countries allow for much wastage. It is reflected in high repetition rates and a great number of drop-outs. This represents a waste in human resources as well as in investment thus inflating the cost of education.

It was emphasized that education, although it is a means for economic improvement and national development, is a basic human right. It should lead to the development of more fulfilled human beings. However, it was indicated that merely quantitative expansion of education, particularly at the primary level, has in fact led to greater rates of expansion at higher levels, stimulated rural-urban migration, and fed the economy with a great number of drop-outs, few of whom joined technical education, while many others were not productively employed. This expansion has not always promoted greater equality of opportunities Moreover, expansion in free public education cannot go on endlessly, as it is limited by the availability of capital, facilities and qualified manpower. What is needed is a system of universal education which imparts at least basic essential skills such as functional litracy, hygiene and civic awareness. In essence, it was further stated, primary education should be supplemented by secondary or technical or any other kind of education and training which prepares young people for adult life.

Although one objective of education is to bring about social justice and a better distribution of incomes, it was indicated that existing systems of education in Arab countries are not producing such effects. Privileged classes are in fact reaping the benefits. This is reflected in a surplus of graduates from higher education particularly in some fields (arts) which are not on high demand in the labour market. Consequently, problems such as expansion of employment in the public administration and emigration with its accompanied brain-drain effects arise. It was suggested, in this regard, that admission policies to higher education and wage incentives should be modified. Stipends and other forms of financial assistance for needy students should be considered. It was further indicated that there are political, social and economic factors involved with the development of education and that the possibility of reconciling these various objectives should be explored.

It was pointed out that many inbalances and disparities in the educational structure of Arab countries are due to a system which is inherited from colonial regimes whose main purpose was to meet the needs of their administration. The educational system has not yet fully adjusted to the requirements of contemporary life. There is a need for a broader concept of education which emphasizes development of the analytical capacity of people and their preparation for productive

employment. A new outlook to the content of education needs to be adopted. General and technical education should interact and a change in attitude with respect to manual work and other kinds of employment should be elicited.

Other non-academic forms of education should be sought. To illustrate, the industrial growth of Europe was not linked to formal education but to various forms of on-the-job training. Informal education, therefore, must be part of this broad concept. In this connexion, the utilisation of the mass media as well as various kinds of social groupings and centres is very important. Defined as a life-long learning activity, education is in fact a continuous process which utilizes a variety of means and instruments.

Education, it was indicated, cannot be divorced from the whole socio-economic system. There are links and inter-relationships between education and other variables such as population, technology, trade, development and employment. Therefore, the question is not whether to adjust education to the needs of development or to adapt the economy to the educational system, but to strike a balance among a number of objectives that need to be realized. This requires integrated planning and integrated policies which take into consideration the importance of comprehensive development, particularly the informal sector (agriculture and small enterprises). Within this framework, provision of basic social services, mobilization of existing resources, and co-ordination at the national level were stressed. Emphasis was also given to regional co-operation as a means for absorbing surplus capital thus creating more employment, training needed manpower and checking the brain-drain.

The question of women's education and employment was highlighted. Active participation of women in development is desired and it is correlated with their level of education. However, opportunities for their employment are scarce particularly in the absence of services which enable them to leave their home. In this regard, it was suggested that a regional bureau responsible for studying women's problems be established.

The problem of inadequacy and lack of statistics and information pertaining to employment and education was brought out. However, it was indicated, the main

problem is to utilize available information and to improve it first. Moreover, reorganization of data collection and presentation is needed. This should include information on characteristics and qualifications of the labour force, on the structure of the labour market, and on wages and incomes. It should also include follow-up studies on school leavers and graduates. Research on the attitudes and desires of young people should also be undertaken. In this connexion, the establishment of a data bank which would facilitate the exchange of information and experiences among Arab countries was suggested. Furthermore, a seminar on improving and developing data collection to be jointly sponsored by ECWA and ILO was also proposed. Moreover, it was suggested that the Arab Labour Organization should work in consultation with Arab governments on developing common standards related to classifications of occupations based on International Standard Classification of Occupations and adapted to the Arab environment.

To foster a more equitable social system and to redress the balance between education, employment and development, great emphasis was given to adult education and training which should be an integral part of educational policy. It was indicated that the need calls for considering a number of training activities including training of school drop-outs, on-the-job training, retraining, skill upgrading, accelerated training and provision of refresher courses. Consequently, it was suggested that recommendations should deal with the development of various forms of training programmes and training facilities at both the national and the regional levels. The establishment of an Arab fund to finance regional institution which would be responsible for planning of training activities in the Arab world was also suggested.

A great deal of wastage of resources is taking place as a result of the displacement of Palestinians. Therefore, it was suggested that Arab countries should support the education and training of Palestinians and give them the same employment privileges that nationals enjoy.

CHAPTER VI

EMPLOYMENT AND REGIONAL COOPERATION

In the paper entitled "Employment and Regional Co-operation", the author indicated that regional co-operation in the field of employment will have to take into consideration the following three difficulties: First it seems questionable that such regional co-operation can take place regardless of the adequacy of regional co-operation in the fields of physical and capital resources. The second constraint projects itself once regional co-operation in employment is viewed in terms of a set of institutions and instruments required to facilitate the movement of workers among Arab countries with the fullest maximisation of the social and economic benefits to all parties. The third difficulty stems from the fact that the data required for such a study are either lacking, or if available they are not adequate or not adequately classified. And above all, to say the least, data if relevant are contradictory and suffer from both internal and external inconsistencies. Very few statistical systems in Arab countries take the movement of workers inside or outside the country as one of their central concern.

The author indicated in this respect that although in recent years some manpower importing countries have attempted an inventory of their foreign manpower, they do not always distinguish between Arabs and non-Arabs, and if they do, they do not show individual or even major individual nationalities.

In all cases, the statistics of the country of origin never coincide with the statistics of the country of destination. While the data in exporting countries are current statistics, those of the importing countries are stock statistics, i.e. an accumulation of the manpower stock in the country over a number of years. Thus the data presented in this paper is only an honest exercise in conjuring. The data were manipulated as appropriate in order to draw a broad brush picture of regional co-operation in the field of manpower in Arab countries.

This picture has revealed that the main manpower host countries, namely Libya, Kuwait and Saudi Arabia, receive the majority of their respective manpower each from 6-7 guest Arab countries. These exporting Arab countries contribute no less than 70% of total Arab or total expatriate manpower in the host countries. The exporting countries contribute mostly professional and skilled manpower. The skill mix varies from one exporting country to another and the nationality mix varies from one importing country to another.

This nationality mix varies mainly with distance as in the case with Lebanon and Syria and with Tunisia and Libya. The nationality mix also varies especially in the ECWA region according to easy access to road transportation, as is the case between Jordan, Syria and Saudi Arabia.

A generous guesstimate of all these inter-Arab workers movements excluding accompanied families perhaps may be given as only one to two million based partly on official data and partly on some guess work. This does not take into account, however, the one-half million Syrians who are allegedly working in Lebanon rather informally.

In attempting to identify reasons for such movements, the document stressed that one should distinguish between the general economic, social and employment characteristics in the respective countries concerned on one side and the motives of the individual on the other. If we fail to make this distinction, the reasons behind these movement risk to be very grossly stated.

The author indicated in this respect that, in order for workers to move from the country of origin to the country of destination, at least three conditions must be fulfilled:

a. There must be an expressed need for his services in the country of destination.

b. There must be willingness on the part of his country of origin to release him especially if he is employed, which incidentally is the case of some workers outside their home countries.

c. There must be a motive for the individual himself to move. The prime motive for the individual to work in a country other than his own, is the higher wage.

The author added that at the national level, in both the importing and the exporting countries, the official responsibility for migrant and migration statistics is divided among a variety of ministries, departments, agencies. It seems therefore, that in order to ensure better and stronger co-operation with other countries in the field of manpower, it is essential to establish co-ordination at home between the different ministries.

At the regional level, namely within ECWA, within the Arab League, the ALO, the ICATU, ALESCO, IDCAS, the Arab Councils, the Arab Banks, the Arab Funds, etc., the author felt that there is need to clarify and settle some of the issues relating to regional co-operation in the different fields of say manpower, finance, agriculture, industry, etc.

A major policy issue relates to complimentarity in human resources development to the benefit of the region as a whole. To begin with, a system should be established whereby the receiving and the delivering countries would exchange information, well in advance, with respect to the respective supply and demand of the different categories of manpower, and to alert the countries of delivery to the possibilities of lay-off in the future.

Apart from attempts on each side to make both ends meet through some provisional measures of rotation of certain categories of manpower in order not to aggravate over-all shortages and also to avoid the under-utilization of valuable manpower as has been the case for University Professors and construction workers, apart from these attempts, there also should be some agreement with regard to regional training and educational policies.

As an interim measure, it may be found very economical to both sides that a programme of fellowships could be launched whereby a shortage country would finance the training or education of a national of another Arab country in his own home country provided he undertakes to serve the granting country for a period of say 5 years after graduation.

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Another policy issue relate to the proper allotment of training activities at the national and at the regional levels. The dilemma might be resolved if we could consider the training of trainers and teaching the teachers as a regional activity as against training the trainees at the national level.

A third policy issue might relate to wage fixing and the determination of wages and remittances. Here again a wide area of choices for wage fixing based on relative scarcity or relative abundance may have to be discussed. Various indices will have to be developed with a view of measuring some sort of the terms of trade in manpower on the basis of shadow prices and the like.

The wealth of international experience in this field is really indispensable. The ILO for example, has developed the World Employment Programme within which it intends to develop a comprehensive strategy suited for a few regions of the world. It has been suggested by one of the delegates in an earlier session that the Arab Region should be considered by the ILO for a resident integrated team of the sort they see fit for this region from the Arab Gulf to the Ocean. The author finally mentioned that the ILO has also developed recommendations and conventions which can be adopted or adapted bilaterally or multilaterally between countries. He also added that an adaptation of an ILO convention regarding the movement of workers between Arab countries has already been concluded by the Arab Council for Economic Unity ACEU. It was issued by the Council on the 28.1.1969. It contains 16 articles and was ratified by 5 Arab countries namely Jordan, Syria, Iraq, Sudan and Egypt. It was also discussed in Libya in March 1975. A model bilateral agreement has also been adapted to suit the purposes of any two Arab countries in co-operating together in the field of employment.

- A number of participants indicated that the emmigrating Arab workers, and even non-Arab workers, enjoy the same privileges and rights as the national-workers in the host countries of the region.

- It was also indicated that one should differentiate between immigration and movement as being two distinct phenomena when studying the flow of labour in the Arab World. Current problems concerning the immigration of the labour force to Arab countries consist among other things of the right to obtain the

nationality of the host country, the right to own property and real-estate and other difficult issues that need to be studied. While the movement of workers from one country to another, has its own different set of problems.

- Governmental bilateral agreements on the movement of labour such as the agreement between Qatar and Egypt for the utilization of five thousand Egyptian labourers, could be resorted to in order to encourage the flow of Arab labour in the Arab countries while safeguarding the economic and social interests of the labour-exporting countries. In this context, it was also stressed that there is no incompatibility between resorting to bilateral agreements and the freedom of the employer in selecting his workers.

- So far, the flow of the labour force in the Arab World, has been motivated by individualistic interests, with wage considerations being one of the major factors taken into account by workers such as social security, working conditions and the like. Regional co-operation in the field of information on employment opportunities, working conditions and fringe benefits would enhance the efficiency of such a flow.

- The composition of the set of critical skills demanded by the various countries in the region is changing with the changes in their socio-economic conditions. Thus, the Meeting stressed the need to re-train redundant human resources in order to meet the demand for new types of skills, (automated industries, petrochemicals and the like).

- While recognizing the beneficial demonstration effect that expatriate workers have on national workers in the host countries, it was also recognized in the Meeting, that there is a need to study the positive and the negative effects of a country's dependence on expatriate workers.

- It was also stressed in the Meeting, that expatriate experts should train their national counterparts as quickly and efficiently as possible.

- It was stressed in the Meeting that the term "surplus labour" should be used with some caution. Egypt and to a lesser extent Syria do not have an absolute surplus in the various professions demanded by the labour importing

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countries, but only a relative surplus, mainly resulting from the non-availability of financial resources. In certain cases, these economies are suffering from shortages in critical skills that have been attracted by the oil-producing countries.

- The draining of critical skills led some countries to adopt restrictive measures against the free movement of labour in order to guarantee the implementation of its own crucial development projects.

- A number of participants voiced their apprehensions concerning the future development of the Arab World by indicating that if the rich oil-producing countries continue to attract parts of the critical skills available in the relatively poorer countries then the current distribution of wealth will certainly be accentuated in the future with the rich countries becoming richer and the poor becoming poorer. This trend, it was indicated, would lead to an unbalanced growth that may not be to the best interest of the Region.

- It was also indicated that if the current trend in distributing jobs between national and expatriates in the rich countries were to continue, the future picture would consist of having expatriates doing the undesired jobs while the most sophisticated professions would be held by nationals, a resultant of the accentuation of the trend mentioned above, namely that the rich become richer and the poor poorer.

- In order to avoid unbalanced growth, it was suggested in the Meeting that the flow of human skills should be accompanied by a flow, in the opposite direction, of financial resources. In this way all Arab countries would have a chance to develop simultaneously.

- However, it was indicated that the simultaneous development of all Arab countries could lead to conflicts of interest as to the flow of the labour force and specially as to the need for critical skills; a conflict that would necessitate co-ordination and planning at the regional level.

- Thus, the Meeting, stressed the need for an integrated strategy for the socio-economic development of the Arab world. Preliminary steps in that direction,

it was pointed out, had already been taken. On the invitation of the Arab Labour Organization, the preliminary meeting held recently in Cairo brought together the Arab regional organizations and the Economic Commission for Western Asia (ECWA) to discuss the launching of an integrated strategy for development. One of the immediate result of that meeting was to enhance the role of the Arab Fund in the field of co-ordinating financial flows and extending technical assistance to Arab countries.

- In the context of an integrated approach to the development of the Arab World, it was pointed out in the Meeting, that the site, or geographical location, of any project should be determined by economic considerations with special attention being paid to the distribution of the labour force and the realization of full employment.

- In order to make fuller use of the region's human resources, the Meeting recommended that a stock taking of available skills be undertaken , with each country indicating its needs and/or relative surpluses by categories of jobs and professions for the implementation of its development plans.

- On the occasion of the formulation of a number of development plans in the region in 1976, it was suggested that the planners concerned meet among themselves with a view to realizing a beginning of regional co-ordination in their development efforts.

- The participants in the Meeting stressed the need for the Arab League and its specialized agencies to draw on the accumulated experience of the United Nations' System. In this context, the Meeting invited the International Labour Organization to study the possibility of establishing a regional employment team for the Arab World. The co-operation of the ILO with the Arab Fund in studying the manpower aspects of development projects in the agricultural sector in Sudan was noted with appreciation. It was therefore recommended in the Meeting that the International Labour Organization (ILO) establishes a liaison unit between the ILO and Arab regional organizations for the co-ordination of technical assistance projects in manpower and employment planning.

CHAPTER VII

Approaches to Employment and Manpower Planning in the Arab Countries

A short introductory statement indicated that the purpose of this discussion is to arrive at a knowledge of the manpower planning mechanisms in the Arab countries. What organs are responsible for manpower and employment planning and how these organs are linked to the economic and development planning machineries in each country. Within this context several country statements were made.

In Tunisia, employment is a major objective of the Fourth Development Plan. This required the integration of employment policy with the over-all development policy and the provision of the necessary measures needed to solve the employment problems. These measures included (a) improving statistical data on employment; (b) adjusting the educational system to the needs of the economy; (c) increasing investment within the framework of a labour intensive policy; and (d) industrial development through decentralization, rural development, and protection of export industries. In addition, new organs were created to deal with human resources, educational planning, employment and training, and family planning. Co-ordination among those organs is secured through the family planning department.

In Egypt, the principal organ responsible for the process of long-term manpower planning is the Central Department for Manpower planning in the Ministry of Planning. This Department operates in co-operation with the other concerned organs. On the supply side, it solicits the co-operation of the Ministries of Education and Higher Education. The Central Statistical Organization, in this respect, is expected to undertake a study which will estimate projections for the supply of labour force by occupational status and at the overall level for periods of five or ten years. On the demand side, the Department co-operates with the Ministries of Agriculture and Industry as well as with other ministries and other government organizations concerned. Within the overall framework of manpower planning, and consistent with the overall National Development Plan, the Central Department for Manpower Planning makes estimates supply of and demand for labour force for periods of ten to fifteen years. Estimated

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projections of supply are constructed on the basis of certain available variables such as population, education, graduation and drop out rates, and the like. The estimated demand projections are reviewed by the Ministries concerned, and approved, the Department proceeds with laying down the detailed plan on a project-by-project basis within each sector co-ordinating it with those of other sectors.

As far as short-term planning is concerned, the Ministry of Labour is the principle organ responsible for this process. It receives from the employment offices the necessary information concerning those who are seeking jobs. The employment offices, on the other hand, provide companies and establishments that have vacancies with the appropriate lists that would help them meet their needs on the basis of selection.

Three main problems were basically encountered in the course of formulating and implementing manpower planning : the first of these problems encountered has been in the process of striking a balance between demand and supply at the main occupational categories. Here lies the difficulty in harmonizing between the occupational classification and the educational levels. The second problem encountered relates to the establishment of a manpower balance for each specialized occupational group. Although lack of information for groups of lower levels, like technicians, prevented producing such balances, it was possible to establish balances for occupational groups like doctors, engineers, techers, etc. This exercise revealed shortages in techers mainly attributed to the unattractiveness of the job despite acceptable rates of graduation. As to doctors and engineers, it is found that there are shortages and this is mainly due to emigration to the developed world. In the last five to seven years it is estimated that around 16,000 doctors and engineers emigrated. Statistical information related to below university levels, classified by industrial activity, occupational and educational qualifications were not given enough attention in the statistical tables. However, a new survey was launched in 1972 in order to meet these needs. The third problem confronted with in Egypt was the increasing role of women participation in the economic activity of the country, which required a corresponding investment planning policy that would create new employment opportunities. Around

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76% of female university graduates, 52% of female secondary and vocational graduates and 12% of female elementary graduates at present participates in the various economic activities. Compared with the female participation rates obtained from the 1966 and 1970 c nsuses, these higher rates constitute a new variable for determining supply of labour force that requires to be taken into consideration in planning for human resources within overall planning and investment needs.

In Syria, full employment has been a major objective of all socio-economic development plans. However, manpower planning is a recent phenomenon. It is carried out within the framework of meeting the needs of development. Planning of manpower passes through three stages. The first stage consits of planning the demand for manpower followed by planning its supply while the third stage involves planning to balance between demand and supply of manpower. The State Planning Board is the major body responsible for manpower planning.

In Saudi Arabia, development planning is recent, and it is the responsibility of the Central Planning Organization. This body co-operates with all the ministries in setting up the plan. It is also in charge of the follow-up of the plan implementation as well as evaluation. The Central Planning Organization also takes care of manpower planning while other governmental bodies are also involved, particularly in the development of manpower through education and training (Ministry of Education and Ministry of Labour and Social Affairs mainly). In this connexion, the Second Development Plan provides for policies and measures necessary for the development of Saudi Arabian manpower. Policies related to periodic population censuses and labour surveys have also been adopted.

The Arab Organization for Educatinn Culture and Science (ALESCO) presented a paper on population growth and its relationship to problems of the labour force in the Arab countries. The paper stressed the need for manpower planning and retained that the Arab World needs a new strategy in this respect. This includes a population policy which should involve redistribution of the population,

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sedentarization of bedouins and organizing migration. This strategy should also include the upgrading of planning machineries in Arab countries, the provision of more information on manpower through surveys and censuses, and the expansion of training programmes at all levels in order to meet the needs of development and to cope with technological progress.

In the course of the discussion, the inter-relationship between employment and other socio-economic factors was again brought out. It was also expressed that employment has social, political and economic implications.

It was indicated that the problem in manpower planning is the traditional approach to planning which most Arab countries take. This approach has not solved many problems including the brain-drain problem. It has not achieved full co-ordination among various government bodies. In many instances, only quantitative aspects were considered in planning. Qualitative aspects are also important and they should be taken into consideration. Studies are needed on productivity and on the quality of available social services. More and better statistical data should be supplied. In this connexion, regional co-operation to facilitate the exchange of experiences is of great value.